

Daily
News

From the Desk of

MARCELLA GUIRY

4/22/55

Ann:

Mr. Beck wants you to make a
photostatic copy of Mr. McKinnon's letter
and include it with the copies of his letter to
Mr. Meany and to Mr. Leheney.

Thanks.

Marcella

Is Schutler also
DB

ADMINISTRATIVE FILE ✓

Daily News
X Fed. of Labor - Calif.
X McKinnon, Clinton D.

April 22, 1955

Mr. Clinton D. McKinnon
1145 Pacific Beach Drive
San Diego 9, California

Dear Mr. McKinnon:

I am in receipt of your letter of April 11 and have read its contents very carefully. I am sorry that the promotion at Los Angeles did not work out.

The only mistake which I think was made was in your accepting a position for five years at \$25,000 a year with the "Times-Mirror". It cannot help but be in the minds of some that this is a circumstance favorable to you and that you personally received benefit by virtue of this situation. I personally feel that it would have been far better to have liquidated the "News" without any of its assets becoming available, in whole or in part, to any competitive newspaper and very definitely that you yourself did not receive any financial consideration. I personally do not regret the loss that the International Union sustained and in no sense should the statement to you be construed as anything of a personal nature.

I note your reference to "bankruptcy proceedings" crystallizing. Have such proceedings been instituted? If so, I would appreciate receiving a copy of the petition filed and the schedule of assets and liabilities. I would also appreciate being advised if the International has been listed by you as a creditor to the extent of its loan.

I did the very best I possibly could, as I know George Meany and my associates did, to aid and assist in a worthwhile objective.

Very truly yours,

DB:mg
ccs: George Meany ✓
Ray Leheney ✓
William Schnitzler ✓

CLINTON D. MCKINNON
1145 FAULKNER BLVD. DRIVE
SAN DIEGO 9, CALIFORNIA

ADMINISTRATIVE FILE

Daily News
Reduction of labor
California
McKinnon, Clinton D.

April 11, 1966

Mr. Dave Book, President
International Brotherhood of Teamsters,
Chauffeurs, Warehousemen and Helpers of America
100 Indiana Ave., N.W.
Washington 1, D.C.

Dear Mr. Book:

I have been waiting to make a report to you about the failure of the Daily News until bankruptcy proceedings crystallize. It appears, however, as if that day is still far away, so it seems an interim report to you is in order.

You will recall that I entered the Daily News as a rescue operation. The paper was on its last legs and was scheduled to die at the end of 1963. During the 18 preceding months, it had lost nearly \$2,000,000.

At the time, I realized I lacked the financial resources to pull the paper through, but some wealthy Democrats indicated financial support and some Los Angeles labor leaders promised substantial circulation assistance if I would step in.

I could write a book on the disappointments and heartaches that followed. The promises of financial support were quickly forgotten; the drive for increased circulation by labor was extremely disappointing.

The only bright experience was the financial backing I received from a number of Internationals, yours included.

These loans, however, did not approach the total losses. Nevertheless, as we were making such advertising gains that last fall I held high hopes that we could get the paper in the black before my credit was exhausted.

But, by the end of November, it became apparent that losses would continue into March, 1966, at least; that additional capital was unobtainable; and that back debts were becoming more pressing.

The final problem came the week of December 12th when we were obligated to meet a payment of \$16,000. to the members of the Newspaper Guild for retroactivity incurred under former management.

I simply didn't have the money and informed them that we would be forced to delay the payment, but would catch it as soon as we secured additional capital.

CLINTON D. MCKINNON
1145 PACIFIC BEACH DRIVE
SAN DIEGO 9, CALIFORNIA

I flew to Washington that same day to confer with Mr. Meany and Mr. Scinitaler. A few days prior I had received an offer from a newspaper broker from an unidentified principal, offering us about 20 cents on the dollar we had invested. I discussed with your officers the possibility of additional finances, as well as the offer I had received. I was informed that additional finances were out of the question. We also concluded that a sale was undesirable, if it could be avoided.

Upon my return to Los Angeles, I was notified that the Guild was very displeased about my inability to meet the retroactive pay, and that a strike vote meeting was scheduled for the following Monday. Meanwhile, the threat of a strike had been published in competing dailies, with the result that our bank had informed our auditor during my absence that our line of credit was immediately cancelled.

Thus, we were faced with a strike from the Guild and, even more crushing, the loss of vital credit. With our credit terminated, we had no way to meet the payroll for that week, nor to buy newsprint for continued publication. In other words, we were out of business.

We owed \$81,000. to the Federal Government for delinquent withholding taxes and about \$65,000. to our employees in pay, in addition to many other obligations.

I then contacted the broker, only to find that the offer I had received a few days before had been withdrawn. Another offer was substituted by the Times-Mirror Company for \$275,000. for certain assets of the corporation, but no money for the owners, and with certain other provisions.

By then, we had only two alternatives: (1) To shut down without any funds to meet the above obligations; or (2) to accept the Times-Mirror offer and use the \$275,000. to clear up priority obligations. Reluctantly, I decided upon the second course.

We have paid off all wage claims, all withholding tax obligations and after the assets are liquidated, there should be around \$200,000. left to meet creditors' claims, among which is \$800,000. due the Guild for severance pay. Obviously, there will be no money available for note holders.

One of the Times-Mirror conditions was that I would not enter the Los Angeles metropolitan newspaper field for five years, and that I would enter their employ for five years at \$25,000. a year in an advisory and writing capacity. In turn, they agreed to print such liberal columnists as Pearson, Roosevelt, Stokes, Childs, Allen, Thomas and others, as well as giving me the freedom to report and interpret the Democratic viewpoint in my column.

CLINTON D. MCKINNON
1141 PACIFIC BEACH DRIVE
SAN DIEGO 9, CALIFORNIA

Our determination to fight to keep alive a liberal Democratic newspaper has cost us both a lot of money. My personal financial loss for the year exceeds \$100,000., in addition to losses sustained by some personal friends.

On the other hand, we did keep alive this newspaper for a year longer, we had its influence in the 1954 elections where the Democrats did far better than ever before, and we have the further satisfaction of fighting for what we believe in. I hope that the loss your Union may sustain is not out of line with contributions your organization has made for other worthwhile causes.

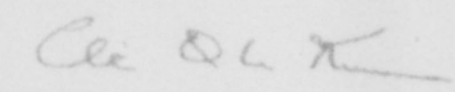
I hold some hopes that an arrangement can be worked out which will yet return a portion of your loan and, if it can be worked out, you will hear more definitely from us at a later time.

Even though we all were aware that this venture was speculative, I am deeply regretful about the failure. I did everything one human could do to make the paper go, but I apparently came in too late with too little.

I have been severely criticized--strangely enough--from those who promised much but did little. My real concern, however, is that you--my friend in an hour of need--will understand.

I will be glad to supply any additional information you desire, and will welcome any suggestions you care to make.

Sincerely,



Clinton D. McKinnon

CLINTON D. MCKINNON
1145 PACIFIC BEACH DRIVE
SAN DIEGO 9, CALIFORNIA

✓ ADMINISTRATIVE FILE ✓
Daily News
X Federation of Labor -
California
McKinnon, Clinton D.

April 11, 1955

Mr. Dave Back, President
International Brotherhood of Teamsters,
Chauffeurs, Warehousemen and Helpers of America
100 Indiana Ave., N.W.
Washington 1, D.C.

Dear Mr. Back:

I have been waiting to make a report to you about the failure of the Daily News until bankruptcy proceedings crystallize. It appears, however, as if that day is still far away, so it seems an interim report to you is in order.

You will recall that I entered the Daily News as a rescue operation. The paper was on its last legs and was scheduled to die at the end of 1953. During the 18 preceding months, it had lost nearly \$2,000,000.

At the time, I realized I lacked the financial resources to pull the paper through, but some wealthy Democrats indicated financial support and some Los Angeles Labor Leaders promised substantial circulation assistance if I would step in.

I could write a book on the disappointments and heartaches that followed. The promises of financial support were quickly forgotten; the drive for increased circulation by Labor was extremely disappointing.

The only bright experience was the financial backing I received from a number of Internationals, yours included.

These loans, however, did not approach the total losses. Nevertheless, we were making such advertising gains that last fall I held high hopes that we could get the paper in the black before my credit was exhausted.

But, by the end of November, it became apparent that losses would continue into March, 1955, at least; that additional capital was unobtainable; and that back debts were becoming more pressing.

The final problem came the week of December 12th when we were obligated to meet a payment of \$16,000. to the members of the Newspaper Guild for retroactivity incurred under former management.

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CLINTON D. MCKINNON
1145 PACIFIC BEACH DRIVE
SAN DIEGO 9, CALIFORNIA

I flew to Washington that same day to confer with Mr. Meany and Mr. Schnitzer. A few days prior I had received an offer from a newspaper broker from an unidentified principal, offering us about 20 cents on the dollar we had invested. I discussed with your officers the possibility of additional finances, as well as the offer I had received. I was informed that additional finances were out of the question. We also concluded that a sale was undesirable, if it could be avoided.

Upon my return to Los Angeles, I was notified that the Guild was very displeased about my inability to meet the retroactive pay, and that a strike vote meeting was scheduled for the following Monday. Meanwhile, the threat of a strike had been published in competing dailies, with the result that our bank had informed our auditor during my absence that our line of credit was immediately cancelled.

Thus, we were faced with a strike from the Guild and, even more crushing, the loss of vital credit. With our credit terminated, we had no way to meet the payroll for that week, nor to buy newsprint for continued publication. In other words, we were out of business.

We owed \$181,000. to the Federal Government for delinquent withholding taxes and about \$65,000. to our employees in pay, in addition to many other obligations.

I then contacted the broker, only to find that the offer I had received a few days before had been withdrawn. Another offer was substituted by the Times-Mirror Company for \$275,000. for certain assets of the corporation, but no money for the owners, and with certain other provisions.

By then, we had only two alternatives: (1) To shut down without any funds to meet the above obligations; or (2) to accept the Times-Mirror offer and use the \$275,000. to clear up priority obligations. Reluctantly, I decided upon the second course.

We have paid off all wage claims, all withholding tax obligations and after the assets are liquidated, there should be around \$200,000. left to meet creditors' claims, among which is \$800,000. due the Guild for severance pay. Obviously, there will be no money available for note holders.

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CLINTON D. MCKINNON
1145 PACIFIC BEACH DRIVE
SAN DIEGO 9, CALIFORNIA

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On the other hand, we did keep alive this newspaper for a year longer, we had its influence in the 1954 elections where the Democrats did far better than ever before, and we have the further satisfaction of fighting for what we believe in. I hope that the loss your Union may sustain is not out of line with contributions your organization has made for other worthwhile causes.

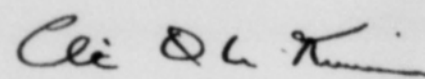
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I have been severely criticized--strangely enough--from those who promised much but did little. My real concern, however, is that you--my friend in an hour of need--will understand.

I will be glad to supply any additional information you desire, and will welcome any suggestions you care to make.

Sincerely,



Clinton D. McKinnon

File

ADMINISTRATIVE FILE ✓

Daily News
LOS ANGELES CALIFORNIA

Daily News
x Federation of Labor -
California
x Mrs. McKinnon, Clinton D.

OFFICE OF THE
PRESIDENT AND PUBLISHER

May 7, 1954

Daniel J. Tobin, Third Vice-Pres.
Executive Council - American Federation of Labor
100 Indiana Avenue, N.W.
Washington, D. C.

Dear Mr. Tobin:

Because of your proven interest in the
Los Angeles Daily News, I thought you might be inter-
ested in the progress we are showing. Therefore, I am
forwarding to you, under separate cover, a week's issues
and I will be glad to continue sending the paper to you if
you would like to keep in touch with it. If you would like
to receive the Daily News regularly, please let me know
whether you would like to have the paper sent to your office
or your home.

I am happy to report that we have made a 30% increase in
advertising and that our circulation now exceeds 200,000.
We are still hard-pressed for capital, but we are pleased
with the headway we have made during the past four months.

Warm personal regards.

Sincerely,

CDM

Clinton D. McKinnon
Publisher

CDMc/dz

MAY 13 1954
for J. J. [unclear]

Tele **WESTERN UNION** *Tele*
SENDING BLANK

RDV DL Pd. Int. Bro. Teamsters April 9, 1954

ADMINISTRATIVE FILE

Raymond F. Leheney
846 S. Union Ave.
Los Angeles, California

Investment
X McKinnon Clinton
X Daily News
Association of Labor-Edg

Please contact McKinnon and assure him that I carried out my agreement at Los Angeles on the telephone, taking subject matter up with Schnitzler here in Washington and am informed that Hotel and Restaurant Employees, Meat Cutters, Retail Clerks and Plumbers have each agreed

(end page one)

Send the above message, subject to the terms on back hereof, which are hereby agreed to

PLEASE TYPE OR WRITE PLAINLY WITHIN BORDER—DO NOT FOLD

1289—(3-20)

Telex

WESTERN UNION
SENDING BLANK

Telex



Page 2.

to contribute ten thousand dollars which will take care of the
amount of money that was not definitely pledged but that
we stated we would try and raise. This will develop an
amount of at least two hundred thousand dollars

Dave Beck

annw

Send the above message, subject to the terms on back hereof, which are hereby agreed to

PLEASE TYPE OR WRITE PLAINLY WITHIN BORDER—DO NOT FOLD

1249—(1-59)

Tele **WESTERN UNION** *Tele* ↑

05302

MAR 17 1954

File
042TA122 ML PD=QT SAN FRANCISCO CALIF 16

EINAR O MONN ASSISTANT TO THE GENERAL PRESIDENT=
INTERNATIONAL BROTHERHOOD OF TEAMSTERS 199 INDIANA
AVE NORTH WEST WASH DC

MAILED THIS DATE THE SUM LOANED TO THE UNDERSIGNED AS
TRUSTEE IN THE AMOUNT OF \$35,000. WOULD APPRECIATE THE
ADDITIONAL ADVANCE AS PER OUR RECENT PHONE CONVERSATION
C J HAGGEATY CALIFORNIA STATE FEDERATION OF LABOR
TRUSTEE= 8300. 11-11-54

ADMINISTRATIVE FILE

Federation of Labor -
California
X

ADMINISTRATIVE FILE

Federation of Labor -
California
X

February 23, 1954

Mr. C. J. Haggerty, President
California State Federation of Labor
995 Market Street
San Francisco, California

Dear Sir and Brother:

Enclosed find our check for \$100,000, made out to California State Federation of Labor, Trustees. \$15,000 is to be credited as our donation to the project covered by this letter. The loan of \$85,000 is made with the following recommendations:

- 1) As monies are received from other organizations, the first \$35,000 of such receipts shall be earmarked for the repayment of this loan.
- 2) It is understood that this loan is made with the definite understanding that the other International Unions are to immediately make their contributions and that the repayment of the \$85,000 shall be made within a period of not to exceed thirty days.
- 3) As per our telephone conversation of today, you will forward to me certain information as part of your acknowledgment of our check in the total amount of \$100,000.

Fraternally yours,

Einar O. Mohn, Assistant to
the General President.

EOM:aw
enc.

PERSONAL

FROM THE OFFICE OF
DAVE BECK, GENERAL PRESIDENT
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Change in name. See letter 4/10



California State Federation of Labor

810 DAVID HEWES BUILDING • 995 MARKET STREET, SAN FRANCISCO (3) • SUTTER 12818

Office of
C. J. HAGGERTY
Secretary-Treasurer

February 16, 1954

THOMAS L. PITTS
President
100 South Union Ave., Room 7, Los Angeles (17)

Personal

Mr. Einar O. Mohn
Assistant to the General President
International Brotherhood of Teamsters,
Chauffeurs, Warehousemen & Helpers of America
100 Indiana Avenue, N.W.
Washington 1, D. C.

Dear Sir and Brother:

Enclosed herewith you will find your check No. 38
dated February 10, 1954, payable to Educational Fund California
State Federation of Labor in the sum of \$100,000.00, which we are
returning to you herewith and acknowledge your communication of
February 10, 1954, enclosing the same.

Because we have been advised by our counsel and
auditor that we are unable to comply with the conditions outlined
in your letter transmitting such check, we are returning it to
you herewith but hope that you will be able to remit a similar
amount to us as Trustee for the purpose of transmittal as an
agent as outlined to you in our telephone conversation of
February 15, 1954. We have been advised that if such is possible,
the complications presently existing will be eliminated. Please
make your check payable to the California State Federation of Labor,
Trustee.

Hoping you are able to assist us in overcoming these
technical difficulties, I am

Respectfully yours,

C. J. Haggerty
C. J. Haggerty, California State
Federation of Labor Trustee

CJH:GP
CEIU-3-AFL(31)
Enclosure: Check

VICE PRESIDENTS

MAR J. ORLO, District No. 1
211 1/2 - 1st Street, San Diego (11)
JACK ARNOLD, District No. 2
124 East 10th Street, Long Beach (12)
ELMER J. DORAN, District No. 3
740 - 11th Street, San Francisco
MARVY LUNDSCHEN, District No. 4
700 Valencia Street, Los Angeles (13)
WILLIAM C. CARROLL, District No. 5
2315 West 8th Street, Los Angeles (14)
C. T. LEMMANN, District No. 6
1123 Third Avenue, Los Angeles (15)

JOHN T. GARDNER, District No. 7
800 South Union Ave., Los Angeles (16)
RAY BOWEN, District No. 8
7044 Hollywood Blvd., Hollywood (17)
ROY W. BREWER, District No. 9
401 Bond Avenue, Wilmington
WILLIAM A. DEAN, District No. 10
621 Chiquita Road, Santa Barbara
PAUL E. REEVE, District No. 11
411 Kearney Boulevard, Fresno (18)
C. A. GREEN, District No. 12
1801 7th Street, Modesto
THOMAS A. SMALL, District No. 13
316 Barrows Ave., San Mateo

ARTHUR P. COUGHERTY
District No. 14
1623 1/2 - Market Street, San Francisco (19)
GEORGE KELLY, District No. 15
1541 Commerce Street, San Francisco (20)
HARRY LUNDERBERG, District No. 16
618 Harrison Street, San Francisco (21)
VICTOR S. SWANSON, District No. 17
674 Valencia Street, San Francisco (22)
ROBERT L. ASH, District No. 18
1111 Valdez Street, Oakland (23)
PAUL L. JONES, District No. 19
2315 Valdez Street, Oakland (24)

HOWARD REED, District No. 20
720 Centre Street, Harrison
LOWELL NELSON, District No. 21
316 Virginia Street, Vallejo
HARRY FINES, District No. 22
1117 "H" Street, Sacramento (25)
ALVIN J. GRUNN, District No. 23
P. O. Box 219, Corvallis
ROBERT GIBSON, District No. 24
P. O. Box 107, Grinnville
St. Rev. Mgr. MARTIN C. KEATING
Chaplain
737 East Olive Avenue, Burbank



AMERICAN FEDERATION OF LABOR

Executive Council

President, GEORGE H. MEYER
Secretary-Treasurer, WILLIAM F. SCHMITZER
A. F. of L. Building, Washington, D. C.

First Vice President, MATTHEW J. LEA,
200 East 70th Street, New York, N. Y.
Second Vice President, G. M. HANCOCK,
Railway Clerk's Bldg., Cincinnati, O.
Third Vice President, DAVID J. TERRY,
100 Indiana Ave., N. W., Washington, D. C.
Fourth Vice President, HARRY C. BROWN,
815 Fifteenth St., N. W., Washington, D. C.
Fifth Vice President, W. C. BARRETT,
Delaware St. Tourist Bldg., Indianapolis, Ind.
Sixth Vice President, W. C. CHAPMAN,
100 Indiana Ave., N. W., Washington, D. C.
Seventh Vice President, DAVID DUNN,
170 Broadway, New York, N. Y.
Eighth Vice President, CHARLES J. MAGOWAN,
New Brotherhood Bldg., 204 St. in State Ave.,
Kansas City, Mo.
Ninth Vice President, HENRY WYATT,
6000 Jones Road, Kansas City, Missouri
Tenth Vice President, D. W. TAYLOR,
1000 Fifteenth St., N. W., Washington, D. C.
Eleventh Vice President, WILLIAM L. McFARLANE,
210 W. Randolph Street, Chicago 4, Ill.
Twelfth Vice President, JOHN O. TOWNSEND,
670 Lexington Avenue, New York 17, N. Y.
Thirteenth Vice President, DAVID BROWN,
100 Indiana Ave., N. W., Washington, D. C.
Fourteenth Vice President, HARRY A. BUCHANAN,
Capitol Bldg., Indianapolis, Ind.
Fifteenth Vice President, A. J. HAYES,
Washington Bldg., Washington, D. C.

LONG DISTANCE TELEPHONE NATIONAL 8-2070-1-2-3-4
CABLE ADDRESS AFEL

Washington 1, D. C.

February 17, 1954

ADMINISTRATIVE FILE

Investment
X McKinnon, de London
X Daily News

Mr. Dave Beck, President
International Brotherhood of Teamsters, Chauffeurs,
Warehousemen and Helpers of America
100 Indiana Avenue, N. W.
Washington 1, D. C.

Dear Sir and Brother:

This is in reference to the loan which you indicated, at the recent meeting of the Executive Council of the American Federation of Labor, would be made by your organization to assist the Los Angeles Daily News.

The California State Federation of Labor has requested that the checks covering these loans be made payable as follows: "California State Federation of Labor Trustee." The checks are to be forwarded to this office, and in turn we will forward them to the California State Federation of Labor.

Fraternalty yours,

W. F. Schmitzer
Secretary-Treasurer
American Federation of Labor

WFS:BDR

GENERAL PRESIDENTIAL
OFFICE OF

FEB 19 1954

U. S. DEPT. OF LABOR

RECEIVED

Daily News
LOS ANGELES 54 CALIFORNIA

ADMINISTRATIVE FILE

Unrecorded
X *McKinnon, Clinton*
X *Daily News*

February 8, 1954

RECEIVED

Dave Beck, Thirteenth Vice-Pres.
American Federation of Labor
Monte Carlo Hotel
Miami Beach, Florida

Dear Mr. Beck:

I want you to know how deeply I appreciate the great assistance you gave me when I appeared before the Executive Council last week. In fact, your interest and friendship was one of the big factors in encouraging me to take over the Daily News, and, while I'm not at all surprised at the way you pushed this problem through, I am, nevertheless, extremely gratified.

I also want to express my gratefulness for your offer to speed up the process ahead of the Council's ability to meet the problem, and I shall do everything possible to show my appreciation by making the Los Angeles Daily News a great newspaper.

Warm personal regards.

Sincerely,

Clinton D. McKinnon
Publisher

CDMc/dz

Telegram **WESTERN UNION** *Telegram*
SENDING BLANK

RDV DL PD Int. Bro. Teamsters February 3, 1954
ADMINISTRATIVE FILE
1. [Signature]
X McKinney, Clinton
X Daily News

Clinton D. McKinnon
The Daily News
Los Angeles, California

Your letter January 26 with enclosure forwarded to Mr. Beck
in Miami. He will communicate with you shortly

annw Ann Watkins
Secretary to Mr. Beck

Send the above message, subject to the terms on back hereof, which are hereby agreed to
PLEASE TYPE OR WRITE PLAINLY WITHIN BORDER—DO NOT FOLD
1249—(5-50)

Daily News
LOS ANGELES CALIFORNIA

OFFICE OF THE
PRESIDENT AND PUBLISHER

January 26, 1954

Mr. Dave Beck
International Brotherhood of Teamsters,
Chauffeurs, Warehousemen & Helpers Union
100 Indiana Avenue, N.W.
Washington, D. C.

Dear Mr. Beck:

Just in case my letter to Seattle is
not yet in your hands, I am taking the liberty of for-
warding a copy to you in Washington so as to expedite
your decision.

As I tried to emphasize over the phone, time is of the
essence.

My thanks for your considerate attention.

Cordially,

Clint

Clinton D. McKinnon
Publisher

Enc.
CDMc/dz

Daily News
LOS ANGELES 34 CALIFORNIA

January 20, 1954

Mr. Dave Beck
International Brotherhood of Teamsters,
Chauffeurs and Warehousemen
Seattle, Washington

Dear Mr. Beck:

Gradually I am getting finances lined up for the Daily News, but I want to emphasize the word "gradually". Nevertheless, the acceptance of the Daily News has been most gratifying, and there are cheering indications that this paper can be put over in a big way. AFL, CIO and the Railway Brotherhoods are now at work on a circulation drive, and new subscribers are coming in at the rate of about 200-300 a day.

\$150,000 to \$200,000 in financing would not only prove most helpful for the fight ahead, but this money would encourage investment by private individuals. I hesitate to ask for it as an outright loan on a non-profit basis, for I feel that your money should earn a profit the same as any other individual. For that reason I would like to offer for your consideration what I believe to be a good business proposition.

When I acquired the controlling stock in the Daily News, I also obtained \$25,000 in notes of the corporation which had been issued to one of the former backers. They are non-interest bearing, and are payable out of 25 per cent of the profits of the newspaper. But I would gladly discount these notes by fifty per cent to you, so that in case you would be willing to advance \$200,000, I would deliver to you \$400,000 in notes of the company. Thus, while you take your risks with me, you would likewise share in the earnings as we make them. And you should end up with a handsome profit as a result of your basic desire to see a strong liberal newspaper in this rapidly growing area.

If you desire to invest a smaller amount, the same pro rata arrangement can be made.

Break-even point for the newspaper comes when we boost the circulation from its present 198,000 to 230,000 and when we increase advertising by

Mr. Dave Beck

Page -2-

48 per cent. I have promises from the larger stores that they will increase their lease considerably as we show a circulation increase trend. There are many stores not now advertising, and there are considerable gains to be made in classified advertising, as well as display.

I have such confidence in the future of the Daily News that I am investing my funds too.

But I do not feel advised to go ahead with further investment upon my part unless I can secure at least \$500,000 so as to assure the necessary time to provide a chance for growth and development.

Time is urgent and I would deeply appreciate your immediate attention and assistance.

May I again say how much I appreciate the strong support you gave me in Washington. It's great to be teamed with a fighter like you!

Warm personal regards.

Sincerely,

Clinton D. McKinnon
Publisher

CDMc/de

CC: Mr. Fred Loomis
1038 Henry Bldg., Seattle, Washington

WESTERN UNION

1-0A354

0-BHA278 PD-BEVERLY HILLS CALIF 11 248PM DEC 14 1953

DAVE BECH, INTERNATIONAL BROTHERHOOD OF TEAMSTERS,
100 INDIANA AVE NORTHWEST WASHDC. *from rt*

BILL BASSETT TELLS ME I AM TO BE AT YOUR OFFICE AT 9AM
MONDAY MORNING DECEMBER 14. I WILL BE THERE. REGARDS.
CLINTON D MCKINNON *8:30 as per 12/13*

ADMINISTRATIVE FILE
McKinnon, Clinton D.
X
X

1270 (1-55) LOT 100951